DIRECT TESTIMONY OF BETTY SCHLACKMAN ON BEHALF OF AMERITECH ILLINOIS

1	<u>I. IN </u>	TRODUCTION STATE OF THE PROPERTY OF THE PROPER
2	Q	PLEASE STATE YOUR NAME, TITLE AND BUSINESS ADDRESS.
3	A.	My name is Betty Schlackman. My title is Area Manager, Network Regulatory. I
4		employed by SBC Management Services, Inc., and work at 308 South Akard, Room 730,
5		Dallas, Texas 75202.
6 7	Q.	PLEASE DESCRIBE YOUR OCCUPATIONAL AND EDUCATIONAL BACKGROUND.
8	A.	I have worked for subsidiaries of SBC Communications Inc. ("SBC") for over 25 years in
9		various network positions including positions in technology and product development,
10		outside plant engineering, labor relations, various positions within outside plant
11		installation and maintenance, test centers, assignment offices and central office frames. I
12		hold a Bachelor's Degree in Business Administration from the University of Houston.
13	Q:	WHAT ARE YOUR CURRENT RESPONSIBILITIES?
14	A.	I have network regulatory responsibilities for the implementation of Line Sharing. I
15		coordinate both internally and externally to develop and implement network policies
16		regarding line sharing. I also represent the Southwestern Bell Telephone Company
17		("SWBT") network organization during negotiations with competitive local exchange
18		carriers ("CLECs") as they enter into agreements with SBC's incumbent local exchange
19		carrier ("ILEC") subsidiaries for DSL line shared loops.

20 Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?

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2	A.	The purpose of my testimony is to explain why the terms and conditions that Ameritech				
3		Illinois is offering CLECs to implement line sharing are consistent with the Federal				
4		Communicati	ions Commission's ("FCC") Line Sharing Order ¹ and are fair to all parties. I			
5		will respond	to the testimony of Mr. Zulevic filed on behalf of Covad.			
6 7 8	Q.	WHAT RESULT DOES AMERITECH ILLINOIS SEEK IN THIS PROCEEDING?				
9	A.	It is Amerited	ch Illinois' position that the agreement it has presented should be adopted by			
0		the Commission. Ameritech Illinois' agreement allows CLECs to obtain line sharing				
1		consistent wi	th the FCC's Line Sharing Order. As an overview, Ameritech Illinois'			
2		proposed agre	eement offers:			
3		(1)	Reasonable rates;			
4		(2)	Reasonable general terms and conditions to govern line sharing;			
5 6		(3)	A choice of splitter ownership options to CLECs, including an option where Ameritech Illinois owns the splitters.			
7		(4)	Nondiscriminatory access to Ameritech Illinois' Operational Support Systems ("OSS");			
9		(5)	Provisioning of line shared loops in accordance with the FCC's <i>Line Sharing Order</i> ; and,			
21		(6)	Reasonable terms for the testing, repair and maintenance of facilities.			

¹ In the Matters of Deployment of Wireline Services Offering Advanced Telecommunications Capability and Implementation of the Local Competition Provisions of the Telecommunications Act of 1996; Third Report And Order And Fourth Report And Order; Adopted: November 18, 1999, Released: December 9, 1999, CC Docket No. 98-147 and CC Docket No. 96-98 ("Line Sharing Order").

1 Q. HOW IS YOUR TESTIMONY ORGANIZED?

I first provide background information on the Line Sharing Trial and SBC's steps to **2** A. develop a line sharing product. Second, I describe the circumstances in which Ameritech 3 Illinois will voluntarily offer to own splitters used by CLECs in line sharing. Third, I 4 discuss the commercial "rollout" of Ameritech Illinois' line sharing product. Fourth, I 5 explain why Ameritech Illinois' proposed line sharing agreement should be adopted by 6 7 the Commission. Finally, I describe Ameritech Illinois' concerns with the language proposed by Rhythms and Covad in this proceeding. In particular, I will address Issues 8 1, 3, 4, 5, 7, 9, 10, and 11. 9

10 II. BACKGROUND

11 Q. WHAT IS LINE SHARING?

In the Line Sharing Order, the FCC defined the "High Frequency Portion of the Loop" **12** A. ("HFPL") as the frequency above the voice band on a copper loop facility that is being 13 used to carry traditional plain old telephone service ("POTS") analog circuit-switched 14 voice band transmissions.² The Line Sharing Order references the voice band frequency 15 of the spectrum as being between 300 to 3000 Hertz (and possibly up to 3400 Hertz) and 16 provides that DSL technologies operate at frequencies generally above 20,000 Hertz.³ 17 Generally, the FCC defined line sharing to include situations in which an ILEC provides 18 POTS service and another carrier provides the DSL services over the same local loop 19

¹ ² *Id.* paragraph 26.

¹ ³ *Id.* paragraph 64.

1 facility.⁴

2 O. WHAT IS THE LINE SHARING TRIAL?

- The Line Sharing Trial is a collaborative process in which CLECs and SBC have 3 Α. provided input and discussed implementation issues and schedules for the development of the line sharing product. This process began on January 25, 2000. Weekly meetings 5 are being held in which the companies' representatives address the various issues. Across 6 the thirteen SBC states, seven central offices, including two offices from Illinois, were 7 selected as trial sites. As a result of these meetings and the entire Trial process, 8 Ameritech Illinois has developed and is prepared to offer a line sharing product to 9 CLECs that will be available on June 6, 2000. 10
- 11 O. WHAT IS YOUR ROLE IN THE LINE SHARING TRIAL?
- I am the network regulatory member of the SBC ILECs' team that was assembled to **12** A. coordinate the implementation of line sharing. I help coordinate all technical aspects of 13 the Line Sharing Trial that the SBC ILECs are currently conducting with nine active 14 CLEC participants and numerous observing CLEC participants across SBC's ILECs' 15 regions, including Illinois. I have attended most of the meetings with the participating 16 CLECs on a weekly basis since January 25th of this year when the SBC ILECs invited 17 CLECs to participate in the Trial. During these meetings, I have received extensive input 18 from CLECs on the technical aspects of line sharing. While the Parties did not agree on 19 every point in connection with the Trial, the SBC ILECs and the CLECs did work 20

¹ ⁴ *Id.* paragraph 70.

collaboratively to find solutions to numerous technical issues as will be discussed 1 throughout my testimony. Through these meetings, the CLEC community, along with 2 SBC, developed trial processes that Ameritech Illinois has used to stage its line sharing 3 roll out. PLEASE DESCRIBE THE OBJECTIVES OF THE LINE SHARING TRIAL. 5 Ο. The first meeting was held in San Francisco on January 25, 2000. In addition to 6 Α. representatives from the SBC ILECs, over twenty CLECs participated. From that 7 meeting, the Trial's objectives were set. These objectives included: (1) determining the 8 network architecture(s) to be utilized; (2) identifying and resolving key ordering, 9 provisioning, and billing processes; (3) determining and implementing necessary OSS 10 changes; and, (4) developing maintenance and repair procedures. In order to facilitate 11 12 the discussion of and implementation of these issues, the SBC ILECs and the CLECs 13 agreed to a three-committee structure: an executive/administration committee with 14 oversight for the Trial, an engineering/technical sub-committee, and a systems/process sub-committee. I am a member of the engineering/technical sub-committee and the 15 16 executive/administration committee. HOW DID THE LINE SHARING TRIAL AFFECT AMERITECH ILLINOIS' 17 Q. ABILITY TO PROVIDE THE COMMERCIAL ROLLOUT OF A LINE 18 **SHARING PRODUCT?** 19 20 The experience gained through the Line Sharing Trial has facilitated the development of 21 Α. the commercial line-sharing product offered by Ameritech Illinois. In the meetings, the 22 parties raised various issues and explained desired items that each hoped would be a part 23 of the final product. Through various compromises, it was the consensus of the parties to 24

1 utilize two network architectures and these have been adopted and are being used. WHAT ARE THESE TWO NETWORK ARCHITECTURES? 2 0. The first architecture involves the CLEC purchasing, installing, owning, and maintaining Α. 3 a splitter in its collocation arrangement. (See Attachment 1, of my testimony for illustration of this option). The second architecture used in the Trial involves Ameritech 5 Illinois purchasing, installing, owning, inventorying, and maintaining splitters. (See 6 Attachment 2, to my testimony for illustration of this option). As discussed below, 7 Ameritech Illinois voluntarily agreed to the CLECs' request to offer Ameritech Illinois-8 owned splitters one "line at a time" (as opposed to one shelf, or 96 lines, at a time). 9 WHAT IS A "SPLITTER?" 10 0. A "splitter" is a device that divides the data and voice signals concurrently moving across 11 Α. the loop, directing the voice traffic through copper tie cables to the circuit switch and the 12 13 data traffic through another pair of copper tie cables to multiplexing equipment for delivery to the packet-switched network. Splitters are comprised of multiple line cards 14 that are placed into a shelf of equipment that is installed into a bay in a central office 15 equipment room. A standard bay is configured to hold approximately 10 shelves of 16 equipment. The most widely used splitter today has the capacity for up to 96 lines on a 17 18 single shelf. The splitter may be directly integrated into the Digital Subscriber Line Access Multiplexer (DSLAM) equipment or may be externally mounted. 19 20 The CLECs involved with the Line Sharing Trial have embedded DSLAMs in their 21 arrangements that do not have splitter functionality as part of the DSLAM. Ameritech 22

Illinois' affiliate, AADS, utilizes a DSLAM that does have the integrated splitter 1 functionality contained in the DSLAM. Ameritech Illinois has requested that all CLECs 2 deploy DSLAM equipment that has the splitter functionality integrated into the 3 4 equipment. 5 PLEASE DESCRIBE THE NETWORK ARCHITECTURE FOR CLEC-OWNED 6 0. SPLITTERS. This arrangement is detailed in Attachment 1 to my testimony. The CLEC places its 8 Α. splitter in the CLEC's collocation area. The CLEC then designates specific cable pairs to 9 terminate on its splitter for both the incoming line that carries voice and data, as well as 10 the outgoing pair that will return the voice signal to SWBT. The CLEC installs the 11 12 necessary cabling between its splitter and its DSLAM in its collocation arrangement prior to placing an order for line sharing. Once the cables are designated/installed and 13 inventoried in Ameritech Illinois' system, the CLEC's order for line sharing can be 14 provisioned. The CLECs provide Ameritech Illinois with the pairs they will utilize for 15 line sharing, Ameritech Illinois enters these assignments on the service order, and then 16 performs the necessary cross connects to provision the service order. Given anticipated 17 cost savings and inventory benefits, it is SBC's view that CLECs most likely will begin 18 utilizing integrated DSLAMS when their current embedded base of DSLAMS reach 19 20 capacity. PLEASE DESCRIBE THE NETWORK ARCHITECTURE IN WHICH 21 O. AMERITECH ILLINOIS OWNS THE SPLITTER. 22 This arrangement is detailed in Attachment 2 to my testimony. In this arrangement, **23** A.

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Ameritech Illinois has offered to voluntarily own and maintain the splitters to be used by

1		the CLECs. Here, Ameritech Illinois installs a splitter in common space and builds out
2		the necessary cabling to the intermediate distribution frame ("IDF") where the CLEC
3		collocation cabling is terminated. Once installed and inventoried, a CLEC order for line
4		sharing indicates the pair to be used for the high frequency portion (or the data portion)
5		of the loop. Ameritech Illinois assigns the splitter tie pairs and places the necessary cross
6		connects to provision the order.
7	<u>ш. у</u>	OLUNTARY COMMITMENT TO PROVIDE SPLITTERS:
8 9 10	Q.	IN THE <i>LINE SHARING ORDER</i> , DID THE FCC REQUIRE ILECS TO OWN THE SPLITTER?
11 12	A.	No. The Line Sharing Order does not require Ameritech Illinois to own splitters or to
13		provide splitter functionality to CLECs by June 6, 2000, or any other time, and neither
14		the FCC nor this Commission could properly so require, for two reasons. First,
15		Ameritech Illinois is required only to unbundle components of its existing network.
16		Splitters are not elements of Ameritech Illinois' existing network; they will be installed
17		only to enable a CLEC to line share with Ameritech Illinois.
18		It is not surprising, therefore, that the Line Sharing Order does not obligate Ameritech
19		Illinois to own the splitter. Rather, the FCC gave ILECs in the Line Sharing Order (¶ 76)
20		the option to maintain control over the splitter, but does not require them to do so:
21 22 23 24 25 26		We conclude that, subject to certain obligations, incumbent LECs may maintain control over the loop and splitter equipment and functions. In fact, both the incumbents and the competitive LECs agree that subject to certain obligations, the incumbent LEC may maintain control over the loop and the splitter functionality if desired. (Emphasis supplied.)
27		Additionally, the FCC ruled in Paragraph 146 that:

1 2 3	We conclude that incumbent LECs must either provide splitters <u>or</u> allow competitive LECs to purchase comparable splitters as part of this new unbundled network element." (Emphasis supplied).				
4	Thus, incumbent LECs have the option either to provide splitters or to allow competitive				
5	LECs to purchase them themselves. Ameritech Illinois is under no obligation to make				
6	available Ameritech Illinois-owned splitters under the Line Sharing Order.				
7	Second, even if the splitter were an existing component of Ameritech Illinois' network,				
8	access to the splitter does not meet the "necessary" and "impair" standard. The				
9	Telecommunications Act of 1996 ("1996 Act" or "Act") identifies the criteria that must				
10	be satisfied before an ILEC is required to make unbundled network elements ("UNEs")				
11	available to CLECs. It states:				
2 3	In determining what network elements should be made available for purposes of subsection (c)(3) of this Section, the [FCC] shall consider, at a minimum, whether				
4 5 6	(A) access to such network elements as are proprietary in nature is <u>necessary</u> ; and				
17 18 19	(B) the failure to provide access to such network elements would <u>impair</u> the ability of the telecommunications carrier seeking access to provide the services that it seeks to offer. ⁵				
20 21	The United States Supreme Court has held that this necessary and impair standard				
22 23 24 25 26 27	requires the [FCC] to determine on a rational basis <i>which</i> network elements must be made available, taking into account the objective of the Act and giving some substance to the "necessary" and "impair" requirements. The latter is not achieved by disregarding entirely the availability of elements outside the network, and by regarding any "increased cost or decreased service quality" as establishing a "necessity" and an "impair[ment]" of the ability to "provide services."				
<i>,</i> x					

⁴⁷ U.S.C § 251(d)(2) (emphasis added). <u>AT&T Corp. v. Iowa Utilities Bd.</u>, 195 S.Ct. 721, 736 (1999). <u>6</u>/

1		Because Rhythms and Covad can purchase splitters themselves from the same vendors as
2		Ameritech Illinois just as readily as Ameritech Illinois, the splitter does not meet the
3		"necessary" and "impair" standard. In fact, Rhythms' business plan is to own, control,
4		install and maintain splitters and have only requested ILEC owned splitters in a very
5		small percentage of Ameritech Illinois' central offices.
6 7	Q.	YOU STATED EARLIER THAT AMERITECH ILLINOIS AGREED TO PROVIDE SPLITTERS. PLEASE EXPLAIN.
8 9	A.	Yes. Even though not obligated to do so, Ameritech Illinois has voluntarily agreed to
10		own the splitters and lease them to CLECs a line at a time subject to certain rates, terms
11		and conditions specified in its proposed interim agreement.
12	Q.	WHY DID AMERITECH ILLINOIS AGREE TO OWN THE SPLITTERS?
13	A.	Ameritech Illinois' initial position was that it would not offer splitters to CLECs.
14		CLECs, however, expressed a strong desire for Ameritech Illinois to own and control the
15		splitter, and to provide splitter functionality to them on a "line-by-line" basis. Ameritech
16		Illinois thereupon voluntarily agreed, as an option for CLECs, to own the splitter a line at
17		a time subject to certain rates, terms and conditions. If these rates terms and conditions
18		are not acceptable to Rhythms and Covad, then Ameritech Illinois is free to exercise its
19		right not to own the splitters at all.
20 21 22	Q.	WHAT ARE THE TERMS AND CONDITIONS THAT AMERITECH ILLINOIS PROPOSES FOR SITUATIONS WHERE AMERITECH ILLINOIS AGREES TO PROVIDE THE SPLITTER?
23	Δ	Ameritech Illinois originally stated that CLECs must provide binding forecasts of their

need for splitters. Ameritech Illinois now agrees to drop this condition. However, Ameritech Illinois still must receive reliable and updated forecasts from all CLECs who wish to lease the splitter functionality from Ameritech Illinois so that Ameritech Illinois can provide the splitters requested without overbuilding or underbuilding the Ameritech Illinois network. Nevertheless, Ameritech Illinois still maintains that it must be allowed to choose what splitter to purchase and where to put that splitter in its central office. If Ameritech Illinois is to own the splitter, Ameritech Illinois must be able to choose the type of splitter it purchases. As the owner of the splitter, Ameritech Illinois bears the risks of obsolescence and poor quality, and Ameritech Illinois should therefore be permitted to try to minimize those risks by selecting the splitter type and vendor. Moreover, if each line sharing CLEC were permitted to choose the splitter type it was going to use, significant complications would ensue: Ameritech Illinois' ability to negotiate discounted prices for splitters would be reduced if total purchase volumes were spread among several vendors, rather than focused on one or two. Ameritech Illinois also would likely incur higher maintenance costs, as technicians would require training on several makes and models of splitters, rather than one or two. In short, the CLECs should not be allowed to dictate the splitter(s) Ameritech Illinois is to provide.

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Additionally, Ameritech Illinois must control where it places the splitter that Ameritech

Illinois owns. Ameritech Illinois must be allowed to manage the use of its own floor and

frame space to ensure it is used efficiently and in a safe manner. For example, placing

the splitter on the main distribution frame ("MDF"), as suggested by CLECs, is an inefficient use of Ameritech Illinois' space. Indeed, the Court of Appeals for the D.C.

Circuit recently vacated an FCC rule that required LECs to give competitors the option of collocating equipment in any unused space within the incumbent's premises, to the extent technically feasible. In vacating the rule, the Court stated:

The FCC offers no good reason to explain why a competitor, as opposed to the LEC, should choose where to establish collocation on the LEC's property; nor is there any good explanation of why LECs are forbidden from requiring competitors to use separate entrances to access their own equipment; nor is there any reasonable justification for the rule prohibiting LECs from requiring competitors to use separate or isolated rooms or floors. It is one thing to say that LECs are forbidden from imposing unreasonable minimum space requirements on competitors; it is quite another thing, however, to say that competitors, over the objection of LEC property owners, are free to pick and choose preferred space on the LECs' premises, subject to only technical feasibility. There is nothing in § 251(c)(6) that endorses this approach.

In the context of line sharing, the FCC has not even suggested that CLECs should be able to pick and choose where Ameritech Illinois locates splitters it voluntarily offers to CLECs. Here, Rhythms and Covad are asking this Commission to go even farther than the D.C. Circuit concluded the FCC could *not* go in its collocation order; Rhythms and Covad want to dictate the type of splitter Ameritech Illinois should own and where that splitter will be located on Ameritech Illinois' property. Their request should be rejected.

<u>GTE Services Corporation et al. v. Federal Communications Commission et al.</u>, 205 F. 3d 416, 426 (D.C. Cir. 2000) (emphasis added).

Other conditions applicable when Ameritech Illinois agrees to own the splitter include: 1 (1) when an end-user disconnects Ameritech Illinois' POTS service, Ameritech Illinois 2 will initiate action to reconfigure the loop to remove the splitter, and CLEC shall pay a 3 nonrecurring charge for any such reconfiguration; and (2) Ameritech Illinois will conduct 4 all maintenance on the splitter. Again, if a CLEC elects not to accept these conditions, 5 then the CLEC is free to provide its own splitter consistent with the terms of the 6 7 Ameritech Illinois contract language. DESCRIBE THE SPLITTER CONFIGURATION THAT AMERITECH 8 Q.

ILLINOIS WILL OFFER WHEN IT OWNS THE SPLITTER.

- Ameritech Illinois will provide splitters to CLECs on a line at a time basis. Before the 10 A. Line Sharing Trial, Ameritech Illinois requested that the CLECs provide input on which 11 splitter configuration, i.e. "line at a time" or "shelf at a time," they would prefer. The 12 CLECs voted by listing their preferences in order. The CLECs who voted for "line at a 13 time" as their first option were: MCI, Allegiance, Rhythms, AT&T, IP Communications 14 and Covad. Only NorthPoint requested the entire splitter shelf. Based upon these 15 representations, Ameritech Illinois offered to own the splitter and offer it on a "line at a 16 17 time" basis.
- IS AMERITECH ILLINOIS WILLING TO OFFER SPLITTERS ON BOTH A 18 "LINE AT A TIME" AND A "SHELF AT A TIME" BASIS? 19
- No. First, Ameritech Illinois is not required by the Line Sharing Order to provide line **20** A. sharing on a shelf-at-a-time basis; rather, Ameritech Illinois voluntarily provides the 21 splitter. Ameritech Illinois will voluntarily agree to lease Ameritech Illinois-owned 22

splitters a line at a time, subject to the rates, terms and conditions described above. 1 More importantly, there are a number of reasons why Ameritech Illinois will not provide 2 splitters a shelf at a time. These reasons fit into three main categories: 3 Restrictions of Ameritech Illinois' inventory system; 4 (1) Frame exhaust; and, 5 (2) Efficient use of capital for both Ameritech Illinois and the CLEC. (3) WHAT ARE THE RESTRICTIONS ON AMERITECH ILLINOIS' INVENTORY 7 0. SYSTEM THAT PROHIBIT OFFERING SPLITTER FUNCTIONALITY A **SHELF AT A TIME?** 10 A. Ameritech Illinois' inventory system is unable to accommodate both line and shelf provisioning. Indeed, Ameritech Illinois' current engineering plans do not allow for line 11 sharing on a shelf-at-a-time basis. As noted above, the majority of CLECs were reluctant 12 to pay for an entire shelf and expressed the desire for Ameritech Illinois to offer splitter 13 functionality a line (or port) at a time. Relying upon these representations, Ameritech 14 Illinois moved forward under the assumption that it would provide splitter functionality a 15 line at a time and engineered its facilities and ordered equipment accordingly. Preparing 16 its facilities to provide splitter functionality a shelf at a time would require massive re-17 18 engineering on the part of Ameritech Illinois. More specifically, the cable inventory in the system and required pair assignment 19 information would be different, requiring dual work processes and dual provisioning 20 systems to be maintained. Ameritech Illinois has purchased a Telcordia package that 21

provides the type of flow-through mechanization required for splitter assignment.

However, this software and the system it resides on are not capable of supporting a dual environment of assigning the next available port on a shelf *and* assigning individual shelves to specific CLECs *and* then the next available port. In short, Ameritech Illinois' inventory system is not set up to inventory splitter shelves dedicated to individual CLECs.

As a result, if Ameritech Illinois were required to dedicate and provide entire shelves a "line at a time" Ameritech Illinois would need to secure the services of Telcordia (the creator of Ameritech Illinois' inventory system) to have another OSS modification developed. However, it is not clear whether Ameritech Illinois' inventory system can be modified to accommodate providing splitter functionality a shelf at a time as well as a line at a time, nor has Telcordia committed to how long it would take to develop such a provisioning system.

Even assuming such a modification could be made, Telcordia has informed Ameritech Illinois that it could not even begin to work on a change to Ameritech Illinois' inventory system until after November of this year, and it could be several months beyond that before a change could be available. Even more significant is the fact that Ameritech Illinois does not know how much it would cost for such a change and whether CLECs would be prepared to absorb that cost. Indeed, this approach may be neither technically feasible nor cost effective. Consequently, Ameritech Illinois will offer splitter

1 functionality only a line at a time.

WHAT ARE THE CONCERNS REGARDING FRAME EXHAUST? **2** O.

Under the "shelf at a time" option, there is one less block termination on the frame per **3** A. shelf, and consequently, one less cross connect for each service order. This is because the cabling from the CLEC cage connects directly on the CLEC's DSLAM. However, if provided as an option to the CLECs, the overall number of cables and blocks that will appear on the frame increases. An example illustrates the point: Imagine that ten CLECs have requested to implement line sharing for a total of 192 lines. This would require a total of 192 splitter ports. If each of the ten CLECs requested that Ameritech Illinois provide the CLEC its own shelf, 10 shelves would be required. However, if the CLECs purchased the splitter functionality "a line at a time" only two shelves would be needed. On the frame, the difference is significant; twenty-four cables vs. eighty cables, and six blocks mounted on the frame vs. twenty blocks mounted on the frame. The importance of frame management is self-evident. Ameritech Illinois' position ensures that this resource will remain available.

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17 O. WHAT ARE RHYTHMS' AND COVAD'S ARGUMENTS FOR PLACING 18 **EQUIPMENT AND CABLING ON AMERITECH ILLINOIS' MAIN** 19 DISTRIBUTION FRAMES AND INTERMEDIATE DISTRIBUTION FRAMES 20 AND WHY DOES AMERITECH ILLINOIS DISAGREE?

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22 A. CLECs have required that Ameritech Illinois install the splitter cabling and blocks on 23 Ameritech Illinois' main distribution frames. The CLECs have also requested that 24 Ameritech Illinois install splitters on the main distribution frame. These requests are

labelled as "most efficient" by Covad and Rhythms. They desire these configurations for three reasons: (1) They want access to the MDF/IDF to "verify" Ameritech Illinois wiring; (2) This arrangement reduces tie pairs and cross connects thus supporting their cost model; (3) Placing cables directly on the main distribution frame and placing splitters either on the main distribution frame or next to the frame provides the CLECs with a competitive advantage in reaching customers at the far end of the equipment "reach," i.e., 18,000 feet.

8 Q. PLEASE EXPLAIN WHY PROVIDING SPLITTERS A LINE AT A TIME IS 9 MOST EFFICIENT FOR BOTH AMERITECH ILLINOIS AND THE CLECS.

First, Ameritech Illinois and the CLECs acknowledge that splitter technology is in its infancy. Technological advances coupled with expected decreases in costs of integrated DSLAM equipment clearly signal that wide deployment of this type of splitter technology would represent a potentially huge investment to Ameritech Illinois. These costs would likely become a stranded investment. Second, providing splitters a "line at a time" was the CLECs' "first choice" because it provides an inexpensive solution to obtain splitters. Third, the "line at a time' approach is more efficient for Ameritech Illinois.

Ameritech Illinois developed the local service request ("LSR") process that enables the CLEC to provide only its cable assignment when requesting a shared loop. The new line sharing provisioning system discussed above, allows service orders to "flow through" without manual intervention. The required cross connects are assigned automatically through this system. The inefficiency of "shelf at a time" provisioning occurs as the CLEC must inventory all three cable assignments, and Ameritech Illinois must *manually*

10 A.

1		assign the service order. The likelihood of human error is increased in the manual
2		handling of orders - which could also increase Ameritech Illinois' and the CLEC's costs
3		
4 5	Q.	IS AMERITECH ILLINOIS OFFER TO OWN THE SPLITTER ON A LINE AT TIME BASIS REASONABLE?
6	A.	Yes. First, the Line Sharing Order does not require Ameritech Illinois to offer any
7		option in which Ameritech Illinois owns the splitter. Ameritech Illinois is voluntarily
8		willing to own and offer the splitter a line at a time as requested by CLECs. Arbitrators
9		have agreed with Ameritech Illinois' position on this issue. Indeed, in the recent
10		arbitration in California related to line sharing between Pacific Bell and a number of
11		CLECs, the Draft Arbitrator's Report, issued May 8, 2000,8 adopted this position. The
12		Report at page 25 stated:
13 14 15		The desirability of rapid deployment of line sharing must be balanced with cost and feasibility. On balance, it is reasonable here to adopt line at a time, but not card at a time or shelf at a time.
16		Ameritech Illinois' position on splitter ownership should also be adopted by this
17		Commission.
18 19	IV. II	MPLEMENTATION OF LINE SHARING
20 21	Q.	IS AMERITECH ILLINOIS READY TO DEPLOY LINE SHARING CONSISTENT WITH THE FCC'S <i>LINE SHARING ORDER</i> ?

Rulemaking on the Commission's Own Motion to Govern Open Access to Bottleneck Services and Establish
 a Framework for Network Architecture Development of Dominant Carrier Networks, Rulemaking 93-04-003

and Investigation on the Commission's Own Motion Into Open Access and Network Architecture Development of Dominant Carrier Networks, Investigation 93-04-002.

1	A.	Yes. Ameritech Illinois is fully compliant with the FCC's order in allowing CLECs to
2		purchase their own splitter and install it in their collocation arrangement.
3 4 5	Q	WHEN WILL THE SPLITTERS THAT AMERITECH ILLINOIS HAS VOLUNTARILY AGREED TO OWN BE DEPLOYED IN THE "TARGETED" WIRE CENTERS?
6	A.	The deployment schedule for Ameritech Illinois' voluntary offer to own the splitter and
7		provide it on a line at a time basis has been developed and splitters are being installed
8		accordingly. All interested CLECs ranked, in order of preference, all the
9		central offices in Illinois where they wanted Ameritech Illinois to install splitters.
10		Ameritech Illinois did not set a ceiling on the number of offices the CLECs could rank.
11		The CLECs then submitted forecasts for those offices which were received by Ameritech
12		Illinois on March 23. Ameritech Illinois has published the deployment schedule, based
13		on the ranked offices and forecast. This Ameritech Illinois schedule provides that 48%
14		of the CLECs forecasted lines will be available by June 20th. While not every office will
15		be ready by June 6, Ameritech Illinois' schedule does provide the CLECs with all
16		targeted offices in the order they were requested. Hence, the percentage of lines
17		forecasted will be provided as follows: 27% by June 6th; 48% by June 27th; 83% by July
18		27 th and 100% by August 20 th , 2000.
19 20	Q.	DOES THIS SPLITTER "ROLL OUT" SCHEDULE COMPLY WITH THE LINE SHARING ORDER?
21	A.	Yes. The schedule does not jeopardize compliance with the FCC's order, as CLECs have
22		always had the option of installing their own splitters. And, at no time did Ameritech
23		Illinois commit to providing splitters in all 141 of the requested central offices in Illinois

by June 6, 2000. Ameritech Illinois did not even have the forecasts from the CLECs until 1 March 22, 2000. All the central office engineering, ordering of the equipment, delivery 2 dates of the equipment, installation of the equipment and testing of the equipment had to 3 be planned and sequenced. This is the very reason why the CLECs were encouraged 4 repeatedly by Ameritech Illinois at the weekly line sharing meetings to provide their own 5 splitter functionality, as Rhythms chose to do, such that the CLECs could be operational 6 on June 6, 2000 in all of Ameritech Illinois central offices. 7 Orders were placed with vendors in early March and new vendors were solicited and 8 contracts signed with these vendors such that Ameritech Illinois could manage the 20-9 week schedule that is provided. Ameritech Illinois has always advised the CLECs that 10 the deployment schedule would depend on receiving the orders for the cabling, blocks, 11 bays, shelves and splitter cards on time. If the raw materials are received on time, the 12 schedule, as requested, will be completed on time. 13 RHYTHMS AND COVAD SUGGEST THAT THIS DEPLOYMENT SCHEDULE **14** O. IS THE WORST OF THE ILECS. (Covad Ex. 1.0 at 12(Moya)) HOW DO YOU 15 **RESPOND?** 16 17 Rhythms and Covad contend that all other ILECs across the country have all of the 18 A. CLECs requested offices completed and ready by the June 6th deadline. Ameritech 19

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Illinois has been made aware of industry wide shortages of the following products:

Bays, splitter shelves, splitter cards, tie cabling and blocks. These shortages are

affecting all of the ILECs. In fact, Ameritech Illinois is aware that the other regions are NOT going to meet their June 6th deadlines as provided by the ILECs to the CLECs and this information was obtained through sworn testimony at the Texas Public Utility Commission hearings on May 23, 2000. Nonetheless, the CLECs have signed interconnection contracts in place with two of these ILECs. And, another ILEC is not providing any ILEC owned splitters as an option to the CLECs. Ameritech Illinois' parent company, SBC, signed letters of intent with the manufacturer of the splitters in early March and because of SBCs early request, has been provided splitter shelves and splitter cards and, short of backorders outside of Ameritech Illinois control, Ameritech Illinois expects to honor the schedule as provided.

A.

12 Q. WHAT STEPS HAS AMERITECH ILLINOIS TAKEN TO FACILITATE CLEC DEPLOYMENT OF CLEC OWNED SPLITTERS?

Ameritech Illinois repeatedly urged CLECs purchasing their own splitters to submit collocation requests (physical and virtual) to ensure that those CLECs could implement line sharing in their targeted offices by June 6, 2000. While Ameritech Illinois worked on its process for a "line sharing collocation application," Ameritech Illinois has provided the CLECs with information necessary to submit standard applications which Ameritech Illinois would honor. When the draft line sharing application became available in early April, Ameritech Illinois also told the CLECs in the collaborative session that Ameritech Illinois would accept the draft application. That application was distributed electronically to all CLECs on April 7, 2000. On April 28, Ameritech Illinois

1 furnished all CLECs with its official Line Sharing Collocation Application streamlined and tailored for line sharing. Ameritech Illinois also provided direction to the CLECs on 2 3 how to properly submit the applications for cable re-designations and inventory of 4 facilities in Ameritech Illinois database. 5 Also, Ameritech Illinois crafted a one time process, at the request and with the 6 agreement of the CLECs, to provide a 30 day interval for CLECS to submit collocation 7 applications in those offices that the CLEC wished to reuse existing cabling to facilitate 8 their line sharing forecasts. Ameritech Illinois agreed to waive all collocation application 9 fees and will restencil and designate pairs in Ameritech Illinois "SWITCH" data base so 10 that the pre-provisioning of CLECs cable pairs would be inventoried in Ameritech 11 Illinois' data base to accomplish flow through provisioning. 12 V. AMERITECH ILLINOIS' PROPOSED AGREEMENT 13 Q. WHY SHOULD AMERITECH ILLINOIS' PROPOSED TERMS AND CONDITIONS FOR LINE SHARING BE ADOPTED? 14 15 A. First, Ameritech Illinois' proposed line sharing agreement is consistent with the FCC's 16 Line Sharing Order. The CLEC's proposals go far beyond what is required by the FCC. 17 Second, Ameritech Illinois' proposal applies to all CLECs, including Ameritech Illinois' 18 data affiliate. This will ensure parity in the service provided by Ameritech Illinois to all 19 CLECs. 20 21 VI. COMMENTS ON THE RHYTHMS' AND COVAD'S PROPOSED AGREEMENT 22 RHYTHMS AND COVAD HAVE OFFERED TERMS AND CONDITIONS TO 23

Q.

1 2				VIEW OF "LINE SHARING." DO YOU HAVE ANY THESE PROPOSED TERMS AND CONDITIONS?	
3	A.	Yes. T	Yes. The proposed terms and conditions include many unreasonable items that are		
4		incons	istent with the	Line Sharing Order, the framework developed during the Line	
5		Sharin	g Trial or with	the current standards for provision of unbundled DSL capable	
6		loops.	The Issues wh	ich I am concerned about and will address include:	
7 8 9		•	Issue 1:	Should Ameritech Illinois be required to provide a menu of three splitter network configurations to address CLECs' differing business needs in all requesting central offices by June 6, 2000?	
10 11		•	Issue 3:	Is thirty (30) calendar days the appropriate interval for augments to provide line sharing?	
12 13 14		•	Issue 4:	Should Ameritech Illinois be required to provide CLECs with direct access to the shared physical loop for testing purposes at any technically feasible point?	
15 16 17 18 19		•	Issue 5:	Should Ameritech Illinois be required to provide the Line Sharing UNE in a three business day interval from June 6 to September 6, in a two day business interval from September 7 to December 7, and in a one day business interval thereafter and a five business day interval for loops that require de-conditioning?	
20 21 22 23 24		•	Issue 7:	In addition to providing line sharing over home run copper loops, must Ameritech Illinois also allow CLECs to provide xDSL services utilizing line sharing on loops that traverse fiber-fed digital loop carrier ("DLC") systems between the remote terminal and the central office?	
25 26 27		•	Issue 9:	In order to consider the installation of the line sharing UNE complete, must Ameritech Illinois test and the CLEC affirmatively accept the line sharing UNE?	
28		•	Issue 10:	What is the appropriate maintenance and repair time interval?	
29 30 31		•	Issue 11:	Should Ameritech Illinois pay for the cable that carries voice traffic from the CLEC's splitter back to Ameritech Illinois' main distribution frame (MDF)?	

1 <u>ISSUE 1</u>:

3	Q.	DESCRIBE AMERITECH ILLINOIS' CONCERN OVER RHYTHMS AND COVAD'S MENU APPROACH.
4 5		I set forth Ameritech Illinois' proposal on splitter configuration above. I would like to
6		elaborate, however, on the several reasons why Ameritech Illinois objects to the "menu"
7		approach advocated by Covad and Rhythms. As stated above, Ameritech Illinois
8		disagrees with Rhythms' and Covad's contention that Ameritech Illinois will not be in
9		compliance with the FCC's Line Sharing Order if it does not offer splitter functionality
10		to CLECs. The Line Sharing Order does not require Ameritech Illinois to own splitters
11		or to provide splitter functionality to CLECs by June 6, 2000, or any other time.
12 13 14 15 16 17 18 19	Q.	RHYTHMS' AND COVAD'S, HOWEVER, CLAIM THAT THIS IS A MISLEADING INTERPRETATION. THEY ARGUE THAT THE FCC'S LANGUAGE WAS IN RESPONSE TO ILEC'S FEAR THAT SOME CLECS MIGHT DEMAND TO OWN AND CONTROL THE SPLITTER, THEREFORE, THE FCC WAS "SIMPLY MAKING IT CLEAR THAT THE ILEC COULD FORCE THE CLEC TO ALLOW THE ILEC TO OWN THE SPLITTER." HOW DO YOU RESPOND? (Covad Ex. 2.0 at 16-17 (Zulevic))
20	A.	Nothing in the record supports the CLECs conclusions. In fact, in both the California
21		and Texas Arbitration Proceedings held in April and May of this year, the CLECs have
22		argued that SBC changed its view of splitter ownership. In fact, in both of these
23		proceedings, the CLECs have introduced into record SBC's letter filed with the FCC in
24		June of 1999. SBC has well acknowledged in both of these proceedings that it was
25		apparent that the FCC awarded the CLECs the "right" to full ownership and maintenance
26		of splitters and as such, SBC can no longer assert their previous position. Also,
27		advances have been introduced in the splitter technology allowing voice services to not

be interrupted when splitter cards are removed or become defective. Such innovations 1 allow for the protection of the end user's lifeline service. These measures coupled with 2 the liability language that Ameritech Illinois is requesting, should assure that end user's 3 voice service will remain uninterrupted and secure under a line shared service. 4 5 DOES AMERITECH ILLINOIS HAVE OTHER OBJECTIONS TO RHYTHMS' 6 Q. AND COVAD'S "MENU" APPROACH? 7 8 Yes. Ameritech Illinois objects to Rhythms and Covads contention that Ameritech 9 Illinois must provide splitters on a "shelf at a time basis." As stated above, not only is 10 Ameritech Illinois not required by the Line Sharing Order to provide splitters a shelf at a 11 time, there are many restrictions which now prevent Ameritech Illinois from providing 12 13 splitters a shelf at a time. RHYTHMS AND COVAD, HOWEVER, ARGUE THAT OFFERING SPLITTERS 14 Q. A SHELF AT A TIME IS MORE EFFICIENT. HOW DO YOU RESPOND? 15 (Covad Ex. 2.0 at 8 (Zulevic) 16 17 Setting aside the provisioning problems inherent with two architectures, Rhythms' and 18 A. Covad's argument is without merit. First, for the reasons I described above, offering 19 splitters a line at a time is actually more cost efficient to both Ameritech Illinois and the 20 CLEC then offering spitters a shelf at a time. Moreover, Ameritech Illinois must protect 21 its most valued asset and that is the central office space, which includes frame space. 22 Providing CLECS with options of shelf at a time and line at a time will result in more 23 cabling and more blocks on Ameritech Illinois already congested frames. Third, splitter 24

1		technology is in its infancy and Ameritech Illinois will not recover its initial costs for
2		providing line at a time splitters if and when CLECs begin implementing new
3		technologies into their networks. If having a shelf dedicated to a CLEC is the preferred
4		option, Ameritech Illinois urges the Commission to require CLECs provide that
5		functionality to themselves.
6 7 8 9	Q.	DOES AMERITECH ILLINOIS HAVE OTHER OBJECTIONS TO RHYTHMS AND COVAD'S MENU APPROACH?
10		Yes. Ameritech Illinois also objects to Rhythms' and Covad's proposal which authorizes
11		CLECs to direct where Ameritech Illinois-owned splitters are to be located in the central
12		office. As stated above, Ameritech Illinois proposes that where the CLEC owns the
13		splitter, and physically collocates, splitters shall be installed in the CLEC's collocation
14		arrangement area (whether caged or cageless), consistent with Ameritech Illinois'
15		collocation tariff. When the CLEC is virtually collocated, Ameritech Illinois will install,
16		provision and maintain splitters under the terms of virtual collocation. Additionally,
17		where Ameritech Illinois owns the splitter, Ameritech Illinois will determine where such
18		splitters will be located in each central office.
19 20 21 22 23	Q.	RHYTHMS AND COVAD, HOWEVER, ARGUE THAT IT IS MORE EFFICIENT TO LOCATE SPLITTERS ON THE MAIN DISTRIBUTION FRAME. HOW DO YOU RESPOND? (Covad Ex. 2.0 at 5, 14 (Zulevic); Covad/Rhythms Ex. 2.0 at 15 (Riolo))
24		I disagree. Rhythms and Covad claim that locating splitters in the collocation space is
25		less efficient then locating the splitters on the main distribution frame because longer tie